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Arb. O.P. (Com. Div.) No.201 of 2025

IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 12.06.2025

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THE HON'BLE Mr. JUSTICE ABDUL QUDDHOSE

Arb. O.P. (Com. Div.) No.201 of 2025

M/.FIVE STAR BUSINESS FINANCE LTD.

Rep. by its Legal Officer

Mr.Madhusandhan Someswaran

... Petitioner

VS.

1. KAMSALA. N.

2. SUBRAMANIYAN SAMINATHAN

3. HARIHARAN. N.

... Respondents

Prayer : Arbitration Original Petition (Commercial Division) has been filed under Section 11(5) of the Arbitration and Conciliation Act, 1996 as amended Act, 2019, to appoint an Arbitrator(s) to decide the disputes and differences between the petitioner and respondents in terms of Loan Agreement, dated 18.07.2019 and 14.06.2019.

For Petitioner	: Ms. Vinodhini Mathelene for Mr.P.H. Vinodh Pandian
For Respondents	: Set Ex-parte

ORDER

This petition has been filed under Section 11 of the Arbitration and Conciliation Act, 1996, seeking for appointment of an arbitrator by this Court.



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2. As directed by this Court, the Registry has printed the names of the respondents in the cause list today. The respondents have been duly served with the notice in this petition. The same was also recorded by this Court in this Court's earlier order, dated 03.06.2025. Till date, no one has entered appearance on behalf of the respondents. Hence, the respondents are set ex-parte by this Court.

3. There seems to be a dispute between the petitioner and the respondents arising out of two Loan Agreements viz., the Loan Agreement, dated 14.06.2019 and the Loan Agreement, dated 18.07.2019. There exists an arbitration clause in both the loan Agreements and the same is extracted hereunder :-

ARTICLE 10 : ARBITRATION

All disputes, differences, and / or claims arising out of this Agreement, whether during its subsistence or thereafter shall be settled by “Arbitration” in accordance with the provisions of the “Arbitration and Conciliation Act 1996” (Act 26 of 1996) or any other statutory amendments thereof and shall be referred to the Sole Arbitration of an “Arbitrator”, nominated by the Managing Director of FSBF and such appointment shall be deemed to be the procedure, agreed upon by all



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the parties to this agreement. It is a term of this agreement that in the event of such an Arbitrator to whom the matter has been referred to originally dies or being unable or unwilling to act for any reason, then in such event, the Managing Director of FSBF shall appoint another person to act as the Arbitrator. Such person, when appointed as Arbitrator, shall be entitled to proceed with the reference, from the stage at which it was left by his predecessor. The venue of the Arbitration proceedings shall be in Chennai.

The Borrower(s) do hereby appoint FSBF, acting through any of its officers or representatives to submit for arbitration in respect of any dispute or matter relating to or in anywise touching the affairs of the Property / Properties of the Loan / Loans. The Borrower(s) also undertake to acknowledge that the decision of the arbitrator shall be final.

4. The petitioner has invoked arbitration in accordance with the arbitration clause by issuing notice to the respondents as per the provisions of Section 21 of the Arbitration and Conciliation Act, 1996 on 04.12.2024. No reply has been received for the same from the respondents. Hence, the petitioner has been constrained to file this petition under Section 11 of the Arbitration and Conciliation Act, 1996 seeking for appointment of an Arbitrator by this Court.



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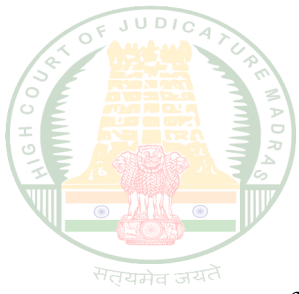
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5. Since the contracts, which are the subject matter of the dispute between the parties contain an arbitration clause and since the petitioner has complied with the statutory requirement by issuing notice to the respondents on 04.12.2024 as per the provisions of Section 21 of the Arbitration and Conciliation Act and since there is no consensus between the parties with regard to the name of the Arbitrator and since the respondents have been set ex-parte by this Court, necessarily this Court will have to appoint an Arbitrator to adjudicate the dispute between the parties.

6. For the foregoing reasons, this Arbitration Original Petition is allowed as prayed for by issuing the following directions :-

a) This Court appoints Ms. Subhadra Madhavan, Advocate, who is having office at 1st Floor, Sai Guru Apartments, 18th Street, Nanganallur, Chennai – 600 061 (Mobile No.8870960840) as the sole Arbitrator to adjudicate the dispute between the parties arising out of two Loan Agreements, dated 14.06.2019 and 18.07.2019.

(b) The Arbitrator shall be paid her remuneration / fees in accordance with the 4th schedule of the Arbitration and Conciliation Act, 1996.



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(c) Both the parties shall equally share the arbitrator's fees.

(d) The Arbitrator shall conduct the arbitration in accordance with the provisions of the Arbitration and Conciliation Act, 1996 and shall complete the arbitration within the specified time as prescribed under the said Act.

12.06.2025

Index: Yes/ No

Speaking order / Non speaking order

Neutral citation : Yes / No

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